

Message Text

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20

ORIGIN NEA-12

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 H-03 NSC-10 SS-20 STR-08

CEA-02 INT-08 L-03 AGR-20 SCEM-02 DODE-00 PA-04

USIA-15 PRS-01 PM-07 /192 R

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P 030448Z NOV 73

FM SECSTATE WASHDC

TO AMEMBASSY TEL AVIV PRIORITY

INFO USINT CAIRO PRIORITY

AMEMBASSY JIDDA PRIORITY

AMEMBASSY KUWAIT PRIORITY

AMEMBASSY BEIRUT PRIORITY

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EO: 11652 N/A

TAGS: ETRD, PFOR, IS, XF

SUBJECT: FOOD AS WEAPON TO COUNTER OIL EMBARGO

REF: TEL AVIV 8765

1. FOR EMBASSY'S BACKGROUND INFORMATION, FOLLOWING ARE
TALKING POINTS WE PLAN TO USE IN CONNECTION WITH S 2605
SUBMITTED BY SENATOR THURMOND WHICH WOULD PROHIBIT
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EXPORTS OF AGRICULTURAL GRAIN TO ANY COUNTRY WHICH REDUCES

THE QUANTITY OF OIL NORMALLY EXPORTED TO U.S.

(A) APPLICATION OF THIS LEGISLATION WOULD HAVE LITTLE MATERIAL IMPACT ON THE IMPORT REQUIREMENTS OF OIL-PRODUCING STATES. AMOUNTS OF GRAIN IMPORTED FROM U.S. ARE RELATIVELY SMALL. THIS IS ALSO TRUE FOR U.S. EXPORTS OF FOOD STUFFS OTHER THAN GRAINS TO THESE OIL-PRODUCING COUNTRIES. OIL PRODUCERS COULD EASILY FIND SUBSTITUTE SUPPLIERS BY PAYING A PREMIUM PRICE OR, IF NECESSARY, USING ACCESS TO THEIR OIL AS AN INCENTIVE. IT WOULD ALSO BE DIFFICULT TO PREVENT U.S. GRAINS OR OTHER FOOD STUFFS SOLD TO NON-U.S. MARKETS FROM BEING RE-EXPORTED TO ARAB COUNTRIES.

(B) APPROVAL OF THIS LEGISLATION WOULD STIMULATE FURTHER PUNITIVE ACTION AGAINST AMERICAN ECONOMIC INTERESTS, INCLUDING OUR SIZEABLE INVESTMENTS IN PETROLEUM AND RELATED FIELDS, WHICH WOULD BE CONTRARY TO THE STATED

PURPOSES OF THE LEGISLATION TO PROTECT AMERICAN INVESTMENTS FROM NATIONALIZATION AND EXTORTION.

(C) THIS LEGISLATION WOULD INTERFERE WITH OUR DIPLOMATIC EFFORTS TO GET A NEGOTIATING PROCESS STARTED. IN ORDER TO DO THIS, IT IS IMPORTANT THAT WE MAINTAIN AS GOOD RELATIONS AS POSSIBLE WITH ARAB STATES AS WELL AS WITH ISRAEL.

(D) APPROVAL OF THIS LEGISLATION WOULD MAKE IT MUCH MORE DIFFICULT FOR ARAB OIL PRODUCERS TO WORK THEMSELVES AWAY FROM THEIR PRESENT POSITION VIS-A-VIS U.S. ONCE PRESENT TENSION IN MIDDLE EAST SUBSIDES. THEY COULD MAKE REPEAL OF THIS LEGISLATION A CONDITION TO ANY RESUMPTION OF OIL EXPORTS.

2. WE WILL BE POUCHING SEPARATELY TABLE GIVING LATEST AVAILABLE FIGURES OF TOTAL FOOD IMPORTS VARIOUS IMPORTANT ARAB OIL PRODUCERS AND WHAT U.S. FOOD EXPORTS ARE (INCLUDING GRAIN/FLOUR) TO THESE VARIOUS COUNTRIES FOR HUMAN AND ANIMAL CONSUMPTION. WHAT LIMITED OFFICIAL USE

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THIS TABLE CLEARLY REFLECTS IS THAT REALISTICALLY, WERE U.S. TO BAN OR CONTROL FOOD EXPORTS TO ARAB COUNTRIES, WOULD HAVE LITTLE IMPACT UNLESS OTHER FOOD EXPORTERS APPLIED SIMILAR MEASURES.

3. FYI - WE INTEND TO POINT OUT TO ARAB OIL PRODUCERS THAT THUS FAR, USG HAS OPPOSED THREATS OF RETALIATION SUCH AS EMBARGOING FOOD AND TO USE THIS AS EXAMPLE

TO EMPHASIZE ADVANTAGES OF MAINTAINING MUTUALLY
BENEFICIAL TRADE RELATIONS. KISSINGER

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